



# State of Utah

DEPARTMENT OF COMMERCE  
Committee of Consumer Services

## Minutes of the Meeting of the Committee of Consumer Services Held in Room 4A of the Heber M Wells Building, Salt Lake City, on 8 April 2003

Kent Bateman called the meeting to order at 9:35am in Room 4A.

Members of the Committee in Attendance:

Franz Amussen	Kent Bateman	Kelly Casaday
Candace Hammer	Betsy Wolf	

Members of the Committee in Attendance via phone:

Dee Jay Hammon

Staff in Attendance:

Roger Ball	Andrea Coon	Kelly Francone
Dan Gimble	Leah Lindstrom	Cheryl Murray
Jenny Nones	Eric Orton	Reed Warnick

Members of the Public in Attendance:

Lowell Alt	Dave Anderton	Susan Bohmholdt
Glenn Bluemel	Marlene Cook	John Kennedy
Glenda Stewart	Bayard Taylor	Kathy Van Dame

### 1 Administrative Matters

#### 1.1 Welcome and Apologies for Absence

Kent Bateman welcomed all those attending the meeting, whether in the room or on the telephone.

#### 1.2 Minutes of Previous Meetings

Betsy Wolf proposed that the minutes of 7 January, 26 February and 7 March be approved. Candace Hammer seconded the proposal, which passed unanimously.

#### 1.3 Dates and Locations of Next Meetings

The next meeting of the Committee will be held on Tuesday 20 May, commencing at 9:30am until 2:30pm, in Room 4A of the Heber M Wells Building. The possibility would be explored of moving the following meeting from the originally scheduled date of 15 July to 22 July.

#### 1.4 P&T Budget

Roger Ball reviewed the Committee's Budget for Professional & Technical Services as of 28 February 2003.

#### 1.5 WEIB Dues

Betsy Wolf proposed that the Committee contribute \$2,000 towards Utah's 2003 Western Interstate Energy Board dues. Franz Amussen seconded the proposal and it passed unanimously.

#### 1.6 NMSU's CPU Conference on Evolving Wholesale Electricity Markets

Kelly Casaday described the conference and expressed appreciation to New Mexico State University's Center for Public Utilities for making such a useful learning experience available.

#### 1.7 NASUCA Conference at FCC and FERC

Franz Amussen reviewed the conference and thanked the National Association of State Utility Consumer Advocates, the Federal Communication Commission, and the Federal Energy Regulatory Commission for such a valuable opportunity to exchange ideas.

### 2 Legislative Matters

#### 2.1 2003 Legislative Session

Roger Ball reviewed those aspects of the Session that were of particular concern to the Committee. He thanked those members and staff who had attended the Committee's Day at the Legislature and who had addressed legislative committees.

#### 2.2 2003 interim Session

The Public Utilities and Technology Interim Committee will meet on Wednesday, 16 April.

Candace Hammer proposed that the Committee oppose the idea that members of the Public Service Commission should be elected rather than appointed. Franz Amussen seconded the proposal and it passed unanimously. Roger Ball will present the Committee's position at the meeting.

### 3 Electricity

#### 3.1 Visit to Ben Lomond Sub-station

Kelly Casaday gave an informative overview of the Ben Lomond Sub-station tour and expressed appreciation to PacifiCorp for arranging it.

#### 3.2 PacifiCorp Rate Case

Cheryl Murray gave a synopsis of the 2002-2003 Test Year Rate Case, including the proposed schedule.

### 3.2.1 Consideration of Five New Contracts

It was proposed by Franz Amussen that the Committee approve, in principle, the allocation of an amount up to \$400,000 for new contracts for expert assistance, advice, and testimony, with consultants selected on the basis of proven capabilities or the evaluation of proposals received in response to RFPs in the PacifiCorp Rate Case. Betsy Wolf seconded the proposal and it passed unanimously.

### 3.3 FERC Findings on Market Manipulation

Kelly Francone informed the Committee that, on 26 March 2003, FERC had issued its findings and the staff report on which they were based. The report was the culmination of a 13-month investigation of potential manipulation of gas and electric prices in the Western market during the energy crisis of 2000 and 2001.

### 3.4 Demand Side Management

Cheryl Murray reviewed the status of PacifiCorp's request for a Demand Side Management Tariff Rider, and the Utah Association of Energy Users' (UAE) proposal on self-direction.

#### 3.4.1 Consideration of a New Contract

Franz Amussen proposed that the Committee approve, in principle, the allocation of an amount up to \$75,000 for a new contract for expert assistance, advice, and perhaps testimony, with a consultant selected on the basis of the evaluation of proposals received in response to the RFP in the PacifiCorp DSM Tariff Case. Candace Hammer seconded the proposal and it passed unanimously.

### 3.5 Depreciation

Andrea Coon said that, after examining the PacifiCorp depreciation filing, the Committee team had concluded that a decrease in rates was justified. A settlement had been reached which is expected to result in Utah customers' bills being \$6M lower than they otherwise would.

### 3.6 Home Electric Lifeline Program

Kelly Francone outlined the status of the review of HELP.

### 3.7 FERC's Standard Market Design

Roger Ball updated the Committee on FERC's SMD. He said that the Committee's staff was monitoring it and is concerned about it.

#### 3.7.1 Consideration of a New Contract

Dee Jay proposed that the Committee enter into a contract with the Tellus Institute for the amount of \$10,000 and with a termination date of 31 December 2003, to enable Dr Richard Rosen to prepare further comments to FERC on its SMD NOPR for submission by the Committee in conjunction with other entities, including the offices of attorneys general and consumer advocates from states including Utah, which share similar views. Franz Amussen seconded the proposal and it passed unanimously.

### 3.8 Competitive Bidding for New Generation

Kelly Francone reported that, on 6 March, fourteen companies and government agencies petitioned the Commission to adopt open bidding and affiliate transaction requirements for competitive acquisition of generation resources by PacifiCorp.

### 3.9 Integrated Resource Plan

Andrea Coon reported that PacifiCorp had filed its Integrated Resource Plan on 24 January 2003.

### 3.10 Nucor

Andrea Coon updated the Committee on the Nucor Steel Electrical Service Agreement.

### 3.11 Pensions

Cheryl gave a brief overview of PacifiCorp's accounting order regarding treatment of a pension liability.

## 4 Gas

### 4.1 Integrated Resource Plan

Eric Orton explained that the Integrated Resource Plan guides Questar's gas purchases.

### 4.2 Questar Gas Rate Case - Consideration of Two Contract Amendments

Candace Hammer proposed that the Committee extend the termination date of the Questar Gas Rate Case contracts with Yankel & Associates and the McFadden Consulting Group to 31 December 2003, and allocate a further \$20,000 - for a total of \$57,000 - to the contract with Yankel and Associates, to enable the consultants to provide ongoing expert assistance and advice in connection with the work of the Cost of Service Task Force. Kelly Casaday seconded the proposal and it passed unanimously.

### 4.3 Questar Gas Pass-Through Cases - Consideration of Two Contract Amendments

Kelly Casaday proposed that the Committee extend the termination dates of the Questar Gas Company 911 Account contracts with Larkin and Associates, and with the McFadden Consulting Group, to 31 March 2005. Franz Amussen seconded the proposal and it passed unanimously.

## 5 Telecommunications

### 5.1 Sale of Yellow Pages

Dan Gimble said that, at its 27 February hearing, the Public Service Commission had adopted the stipulation proposed by parties including the Committee in the Qwest Dex case and, on 11 March, issued its Report and Order approving the agreement and the sale of Utah

assets of Dex to Dex Holdings LLC. A credit of \$33.00 is expected to appear on ratepayers' bills later in 2003 following completion of the sale.

## 5.2 Pricing Flexibility

### 5.2.1 Residential

Dan Gimble reported that the Commission had granted Qwest's requests for pricing flexibility in 17 wire centers, but capped prices for residential services at current tariff levels as the Committee and the Division of Public Utilities had recommended. Qwest had appealed this decision to the Utah Supreme Court.

### 5.2.2 Business

Dan Gimble reported that the Commission had granted Qwest's requests for pricing flexibility in 15 additional wire centers.

## 5.3 Uintah Basin Extended Area Service

Roger Ball welcomed Glenda Stewart and Marlene Cook, representing the Uintah Basin Telephone Association, and reviewed the Company's application for expanded EAS.

## 6 Other Business

Andrea Coon briefed the Committee on PacifiCorp's proposal to amend its Blue Sky Tariff. A memo written by Andrea and Cheryl Murray will be submitted to the Commission to insure that the interests of customers are looked after.

PacifiCorp will arrange a tour of the Jim Bridger coal mine on 8-9 May.

An Energy Forum meeting will be held on 22 April 2003 in the Governor's Boardroom at the Capitol from 3:00 to 4:30 PM.

## 7 Closed Meeting

Franz Amussen proposed that the Committee go into executive session to discuss pending or reasonably imminent litigation issues. Kelly Casaday seconded the proposal and it passed unanimously.

Franz Amussen proposed that the Committee return to open session. Candace Hammer seconded the proposal and it passed unanimously.

## 8 Motions on Matters Discussed in Closed Meeting

Betsy Wolf proposed that the Committee support the PacifiCorp depreciation stipulation as outlined. Kelly Casaday seconded the proposal and it passed unanimously.

Kelly Casaday's proposal that the meeting adjourn was unanimously approved, and the meeting ended at 1:25pm.